

## Whately CPA Overview

The Community Preservation Act was enacted by the state of Massachusetts in 2000. Whately adopted it in 2008. Funds may be used to preserve open space (including farmland), preserve and rehabilitate historic sites, create affordable housing, and create outdoor recreational facilities. Thus far, 116 communities across the state have voted to participate in the CPA; nine more will place CPA participation on the ballot for this fall.

### Community Preservation Committee

The law requires a town to establish a 5-9 member committee to review funding requests and make recommendations to the town's legislative body. Whately's CPC has 7 members, with representatives from the Conservation Commission, Historical Commission, Housing Committee, Planning Board, and Recreation Commission plus two at-large members. Historically one of our at-large members has represented the Agriculture Commission.

The CPC is required to prepare a plan annually outlining priorities for each of the funding categories and to hold a public hearing for each funding recommendation it submits to town meeting.

### Spending

Funding may only go to affordable housing, historic preservation, open space and recreation projects and may not replace existing municipal appropriations. Eligibility criteria are summarized in Attachment 1.

Each year a minimum of 10% of total CPA revenues (state and local) must be allocated to each of three categories: open space, housing, and historic preservation. These allocations need not be spent during that year and can remain in "buckets" dedicated to that CPA category. The remaining 70% of revenues may be spent on any eligible project. All recreation projects are funded from unallocated funds. Up to 5% of each year's revenues may be dedicated for administrative expenses for the CPC and CPA projects.

All project recommendations must be approved at town meeting.

Through FY2016, Whately approved a total of \$494,523 in CPA project funding excluding projects later cancelled (see attachment 2). Whately's \$247,261 investment in these projects has generated 11 times as much in additional funding from the state CPA match, state APR funding and private donations for a total investment in Whately of \$3,018,813.

Whately CPA\$	\$247,261
State CPA\$	247,261
State APR\$	2,023,860
<u>Private donations</u>	<u>492,930</u>
Total investment	\$3,018,813

### Funding at the state level.

State CPA revenues are generated by a fee on all real property transactions in the state and are placed in a dedicated trust fund. They are not part of general revenues. State CPA distributions are formula-driven and not part of the state's budget process.

Each year since 2013 the legislature has dedicated additional funds from any budget surplus at the end of the year to the CPA trust fund. \$47.4 million of surplus funds were transferred to the trust from 2013-2015.

State distributions are made in November. The first award distributes the largest percentage match possible for all CPA communities, which in FY2015 was 29.7%. Communities with a 3% CPA surcharge are also eligible for distributions in subsequent rounds until all the available funds are distributed. The allocation formula favors small towns and Whately has historically received a 100% match. Matches through FY2015 totaled \$421,412 and we anticipate about \$75,000 as a match for FY2016 this November.

### **Funding at the local level.**

Local revenues are raised via a surcharge on property taxes. Whately adopted a 3% surcharge on property tax revenues after a \$100,000 exemption on the residential property value. The effective CPA surcharge rates are shown in Attachment 3, with the \$275,000 average home paying a 1.9% effective surcharge rate.

There is also a \$100,000 low and moderate income exemption from the CPA surcharge calculation based on HUD definitions for our area. This exemption must be applied for annually.

CPA local (and state) revenues are kept separate from the town's general fund. Interest earnings on these funds accrue to the CPA account.

### **Borrowing**

The CPA legislation specifically allows a municipality to borrow against future CPA revenues. Only local revenues may be used to secure the debt. The law prohibits communities from opting out of the CPA while this type of debt is outstanding, but the community may lower its surcharge percentage as long as the debt service is not jeopardized.

Community Preservation Committee

August 2016

**Chart 1  
COMMUNITY PRESERVATION FUND ALLOWABLE SPENDING PURPOSES (G.L. c. 44B, § 5)**

DEFINITIONS (G.L. c. 44B, § 2)	OPEN SPACE	HISTORIC RESOURCES	RECREATIONAL LAND	COMMUNITY HOUSING
<b>ACQUISITION</b> Obtain property interest by gift, purchase, devise, grant, rental, lease or otherwise. Only includes eminent domain taking as provided by G.L. c. 44B	Yes	Yes	Yes	Yes
<b>CREATION</b> To bring into being or cause to exist. <i>See: Sordani v. City of Newton, 452 Mass. 472 (2008)</i>	Yes		Yes	Yes
<b>PRESERVATION</b> Protect personal or real property from injury, harm or destruction	Yes	Yes	Yes	Yes
<b>SUPPORT</b> Provide grants, loans, rental assistance, security deposits, interest-rate write downs or other forms of assistance directly to individuals and families who are eligible for community housing, or to entity that owns, operates or manages such housing, for the purpose of making housing affordable				Yes, includes funding for community's affordable housing trust
<b>REHABILITATION AND RESTORATION</b> Make capital improvements, or extraordinary repairs to make assets functional for intended use, including improvements to comply with federal, state or local building or access codes or federal standards for rehabilitation of historic properties	Yes if acquired or created with CP funds	Yes	Yes	Yes if acquired or created with CP funds

Source: Department of Revenue (DOR) 10-5-2012 conference, "Recent Developments in Municipal Law," Workshop B - Local Finances

## Attachment 2

**Whately Community Preservation Project History**  
as of July 30, 2016

	<u>Category</u>	<u>Project Title</u>	<u>\$ voted</u>	<u>Spent to date</u>	<u>Status</u>
2011	Historic Preservation	Digitization of Oral History Tapes	\$ 1,200	\$1,200	Complete
	Historic Preservation	Preservation of Town Records - phase 1	\$ 6,279	\$ 6,279	Complete
	Historic Preservation	Town Hall Planning Study	\$ 30,000	\$ 28,012	Complete
	Open Space	Helstowski APR	\$ 5,000	\$ 5,000	Complete
	Open Space	Maiewski APR	\$ 38,000	\$ 38,000	Complete
	Recreation	Herlily Park Land Acquisition	\$ 5,000		Cancelled
2012	Historic Preservation	Historic District Signs	\$ 1,600	\$ 1,000	Complete
	Historic Preservation	Preservation of Town Records - phase 2	\$ 7,880	\$ 2,015	Complete
	Historic Preservation	Cemetery Master Plan Study	\$ 4,600	\$ 4,600	Complete
	Historic Preservation	Town Hall Painting	\$ 55,000	\$ 31,027	In process
	Open Space	Skroski APR	\$ 18,660	\$ 18,660	Complete
	Open Space	Hufkoski APR	\$ 30,000	\$ 16,000	Complete
2013	Historic Preservation	Architectural & Engineering Services for Town Hall Restoration	\$ 87,906	\$ 85,918	Complete
	Historic Preservation	Cemetery Map Restoration	\$ 2,000	\$ 1,749	Complete
	Open Space	Green APR	\$ 11,340	\$ 11,340	Complete
	Community Housing	State Road Land Purchase	\$58,000		Cancelled
	Recreation	Playing Field Rehabilitation	\$ 18,000	\$ 2,370	In process
2014	Recreation	Repairs to Frontier Regional Tennis Courts	\$ 4,748	\$ 4,593	Complete
	Historic Preservation	Digitization of Oral History Tapes - Phase 2	\$ 2,400		In process
	Historic Preservation	Gravestone Restoration	\$ 15,000	\$ 15,000	Complete
	Open Space	Farrick APR	\$ 18,410	\$18,410	Complete
2015	Open Space	Hufkoski APR	\$ 23,600		Cancelled
	Historic Preservation	Shelving and Dehumidifier for Town Record Preservation	\$ 2,500		Cancelled
	Historic Preservation	Parking and Safety Landscape Study for Town Center	\$ 6,500	6500	Complete
2016	Open Space	Smiarowski/Wilson APR	\$ 16,000		In process
	Historic Preservation	Gravestone Restoration	\$ 30,000		
	Historic Preservation	Bid-ready documents for preservation and rehabilitation of Town Hall as a Community Center	\$ 84,000		In process
		Total	\$ 583,623	\$ 297,673	
		Total less cancellations	\$ 494,523		

## Attachment 3

Residential CPA Taxes by Property Value  
with \$100,000 exemption and 3% surcharge

<u>assessed property value</u>	<u>CPA effective rate</u>	<u>CPA surcharge<sup>1</sup></u>
\$ 100,000		0
\$ 150,000	1.0%	\$30
\$ 200,000	1.5%	\$45
<b>\$ 275,000</b>	<b>1.9%</b>	<b>\$79</b>
\$ 300,000	2.0%	\$90
\$ 350,000	2.1%	\$112
\$ 400,000	2.3%	\$135

<sup>1</sup> based on FY2016 rate of \$14.96